

MICHIGAN STATE TRANSPORTATION COMMISSION

PUBLIC MEETING

March 23, 2017

Southwest Michigan Regional Airport, Benton Harbor, Michigan

MEETING MINUTES

Members Present: Todd A. Wyett, Chair
Ron J. Boji, Commissioner
Michael D. Hayes, Commissioner
George K. Heartwell, Commissioner
Charles F. Moser, Commissioner

Members Absent: Angelynn A. Afendoulis, Vice-Chair

Also Present: Kirk Steudle, Director, Michigan Department of Transportation (MDOT)
Mark Van Port Fleet, MDOT Chief Operations Officer
Laura Mester, MDOT Chief Administration Officer
David Brickey, Assistant Attorney General, Transportation Division
Phil Browne, Commission Advisor
Madalyn Holyfield, Deputy Commission Advisor
Carol Rademacher, Administrator, Contract Services Division
Jason Gutting, Engineer, MDOT Construction Field Services Division
Jack Cotter, Commission Auditor, Office of Commission Audits
ShuKeyna Thurman, Executive Assistant, Office of Commission Audits
Dave Wresinski, Director, Transportation Planning
Demetrius Parker, Southwest Region Engineer
Jason Latham, Southwest Region Planner
Peter Colovos, Principal, Prairie Real Estate Group
Elisha DeFrain, Transportation Planner, Intermodal Policy Division
Jeff Cranson, Director, Office of Communications
Marcus Muhammad, Benton Harbor Mayor
Darwin Watson, Benton Harbor City Manager
About 15 to 20 people were in the audience; a sign-in list is attached to the official minutes.

I. **WELCOME**

Chair Wyett called the meeting to order at 8:55 a.m.

- ***Welcome to Southwest Region – Demetrius Parker***

Mr. Parker welcomed and thanked everyone for coming to experience to wonderful city of Benton Harbor. He hoped all participates in yesterday's tour of the Cook Nuclear Plant had a great experience. He introduced Jason Latham, Planner for Southwest Region, and expressed he will give the Southwest Region update later in the meeting, along with Prairie Real Estate Group, Peter S. Colovos.

- ***Michigan Department of Transportation Director's Report – Kirk Steudle***

Director Steudle presented on the decrease number in fatalities. Director spoke on a new commission being introduced, Council for Future Mobility, for the Automotive Vehicle Legislation. This commission will include representatives from Toyota, General Motors, Chrysler, and Ford; covering liability issues related to automotive vehicles, insurance issues, cyber security issues, and technology transfer into multimodal areas. Director Steudle announced another commission, not yet comprised, on drums; UAB's.

II. **COMMISSION BUSINESS**

- ***Minutes of January 26, 2017, Joint Meeting with Michigan Aeronautics Commission***

Commissioner Hayes made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; **motion to approve carried.**

- ***Minutes of January 26, 2017, Commission Meeting***

Commissioner Hayes made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; **motion to approve carried.**

- ***Office of Commission Audits (OCA) Update – Jack Cotter***

Mr. Cotter announced the arrival of three new auditors to OCA to replace departing employees.

Mr. Cotter informed the Commission of two Office of the Auditor General (OAG) audit reports, soon to be released, which will indicate MDOT was effective for all of the OAG's audit objectives; an outstanding outcome.

He described the OAG's practice of visiting agencies while performing preliminary surveys. If the OAG finds obvious opportunities for improvement (risks), they graduate the agency to a full audit. Typically, if the OAG does not find risks, they depart. In these instances, although the OAG did not find risks, they opted to graduate MDOT's agency to a full audit. In both audits, no eventual risks were identified and, as previously stated, the OAG concluded that MDOT was effective for the audits' objectives. The OAG's conclusion shows great work by MDOT folks. **No motion required.**

- ***Transportation Asset Management Council (TAMC) Appointment – Phil Browne***

The Michigan Association of Regions voted to appoint Gray Mekijan to fill the seat vacated by Dale Kerbyson, the seat represents their organization on the council.

Commissioner Hayes made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; **motion to approve carried.**

III. **OVERSIGHT**

- ***Exhibit A: Contract Agreements – Carol Rademacher***

Mrs. Rademacher presented information on 21 agreements. Pending any questions, Mrs. Rademacher asked for approval of Exhibit A.

Chair Wyett requested a motion regarding approval of Exhibit A. Commissioner Hayes made a motion to approve and Commissioner Moser supported. Chair Wyett led a voice vote; **motion to approve carried.**

- ***Exhibit A-1: Bid Letting Pre-Approvals – Carol Rademacher***

Mrs. Rademacher presented information about Letting Statistics and Exhibit A-1. Projections for March 3rd and March 18th, 2017 bid lettings are for 40 state jobs and a total construction cost estimate of \$99 million. At this point in the year, MDOT has let 84.5 percent of jobs anticipated and 75.6 percent of cost estimates. Upcoming two lettings are currently advertising 75 projects. Exhibit A-1 lists 40 projects. Pending any questions, Mrs. Rademacher asked for approval of Exhibit A-1.

Chair Wyett requested a motion regarding approval of Exhibit A-1. Commissioner Heartwell made a motion to approve and Commissioner Hayes supported. Chair Wyett led a voice vote; **motion to approve carried.**

- ***Exhibit A-2: Letting Exceptions – Mark Van Port Fleet***

Mr. Van Port Fleet provided information on two projects that were over the engineer's estimate and one low bidder over \$500,000. Justification memos were provided also for two of these projects where/as the low bid exceeded the engineer's estimate by more than ten percent; the Office of Commission Audits has reviewed. Pending any questions, Mr. Van Port Fleet asked for approval of Exhibit A-2.

Chair Wyett requested a motion regarding approval of Exhibit A-2. Commissioner Moser made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; **motion to approve carried.**

- ***Exhibit A-3: Information for the Commission – Carol Rademacher***

Mrs. Rademacher provided information on two projects. One project had only one bidder, the second is one low bidder over 10%, and both projects are under \$500,000. **No motion required.**

- ***Exhibit B: Construction Contracts – Jason Gutting***

Mr. Gutting presented information about Exhibit B, which included cost comparison information about contracts that were recently finalized.

- For MDOT projects in January and February, 114 projects totaling \$270 million were finalized; 9 of those were more than 10 percent over original contract amounts, and 66 projects came in under original contract amounts. For January and February, final contract costs were respectively 0.51 under and 0.16 over the original contract amount. Fiscal year to date is averaging 1.85 percent over original contract amount. A primary factor is the M-231 bridge project that is one of the project presented today.
- For local agency projects in January and February, 110 projects totaling approximately \$90 million were finalized; 6 of those were more than 10 percent over original contract amounts, and 61 projects came in under original contract amounts. **No motion required**

- ***Exhibit C: Six-month Financial Audit Follow-up Report – Jack Cotter***

There were no unresolved audit reports where more than 120 days have passed since OCA issued a report. Mr. Cotter asked for acceptance of Exhibit C.

Chair Wyett requested motion regarding approval of Exhibit C. Commissioner Moser made a motion to approve and Commissioner Heartwell supported. Chair Wyett led a voice vote; **motion to approve carried.**

IV. **INFORMATIONAL REPORTS**

- ***Director's Agenda, March 9, 2017 – Carol Rademacher***
- ***State Administrative Board Agenda, March 14, 2017 – Carol Rademacher***

The Director's Agenda covers memos of understanding with no dollar amounts, revenue agreements, and small dollar amount agreements. The State Administrative Board (SAB) Agenda covers service contracts in excess of \$250,000 and construction contracts in excess of \$500,000. Some items on the SAB agenda, primarily in the area of construction contracts, have previously been submitted to and approved by STC. These two documents are included in the meeting packet, which is posted on the Commission website, in order to inform the public about all types of MDOT bidding activity. **No motion required.**

V. **PRESENTATIONS**

- ***MDOT Projects, Outreach and Economic Development – Jason Latham, Southwest Region Planner, and Prairie Real Estate Group – Peter S. Colovos, Principal***

MDOT's Southwest Region staff are collaborating with community and business leaders in the St. Joseph-Benton Harbor area on freeway improvements to enhance connectivity.

Jason Latham, MDOT Southwest Region Planning Manager, and Peter Colovos of the Prairie Real Estate Group, presented commissioners with highlights of the vision for the harbor officials in both cities and investors are developing. Latham said that vision will help the partners work toward a common goal that can attract and retain talent, by building the walkable communities and capitalizing on the amenities that Lake Michigan offers. Commissioners also heard about how a \$10 million investment in Main Street Benton Harbor has since leveraged almost \$50 million in private investment. Latham explained that the right-sized Main Street is now the platform for future public-private partnerships, and MDOT will remain at the table with city officials and developers as they develop ideas to create and finance additional place-making initiatives.

- ***Michigan Freight Plan Update – Elisha DeFrain***

Mrs. DeFrain discussed Michigan's Freight Plan, originally developed in 2003, is being updated to meet the requirements of the Fixing America's Surface Transportation (FAST) Act. A final draft Plan will be presented to the State Transportation Commission on September 21st. 30-day public comment period will begin late August through late September. A public outreach webinar will also be conducted in mid-September. Michigan's Commission for Logistics Supply Chain Collaboration (LSC), which serves as Michigan's Freight Advisory Committee, has been shifted from the Michigan Economic Development Corp. (MEDC) to MDOT in order to align with requirements in the FAST Act. The FAST Act requires that State Freight Advisory Committees participate in the

development of State Freight Plans. MDOT plans to use the LSC to help provide input on freight related priorities, issues, projects, and funding needs outlined in the Freight Plan.

VI. **PUBLIC COMMENTS**

Marcus Muhammad, Benton Harbor Mayor

Mr. Muhammad greeted and thanked everyone for visiting Benton Harbor. Mr. Muhammad said he looks forward to partnering with MDOT to better Benton Harbor streets, economic development, and businesses overall.

VII. **ADJOURNMENT**

With no further business being before the Commission, Chair Wyett declared the meeting adjourned at 10:16 a.m.

VIII. **NEXT MEETING**

The next full meeting will be held Thursday, May 18, 2017, in Grand Rapids, Michigan.

Phil Browne
Commission Advisor

The Commission approved these minutes on March 23, 2017.